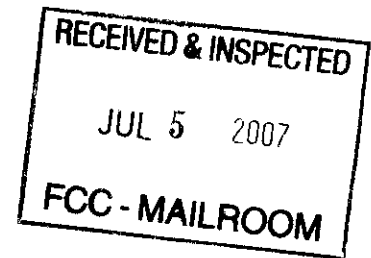


consolidatedsmartsystems

YOUR PROVEN RESOURCE TO INCREASE ANCILLARY PROFIT

June 27, 2007



Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Reference: FCC 07-32, MB 07-51

Dear Marlene,

My Name is Dan Terheggen and I am the owner of Consolidated Smart Systems a private cable operator in California and Arizona. I have owned my company for over 34 years and currently employ 260 dedicated associates. I have been providing Broadband and Video services to my customers for the last 10 years.

The purpose of my letter is to address the topic of exclusive contracts between PCO's and MDU owners. Exclusive contracts for video provide my company the opportunity to compete against billion dollar franchise cable operators and telephone companies. In my markets I am the only viable alternative to the franchise cable operator for satellite video. Obviously the franchise cable operators do not compete with one another outside of their franchise territory so my company is one of the only alternatives.

My experience with competing with the franchise cable operators is that they conduct themselves in a predatory fashion. They threaten litigation with my customers for violation of contracts that do not exist. They cut off service to customers prior to the commitment date to the owner. They threaten onsite management with retaliatory action if contracts with them are not signed. They threaten my service personnel onsite when we convert a franchise cable property to our service. They offer deals substantially below cost in order to eliminate me from the competition.

I am absolutely sure that if we did not have the right to have exclusive contracts on properties and My Company had to co-exist with the franchise operator on a property, aside from the many costly impediments they would produce to make it difficult for me to install my service infrastructure, they would price their programming and services below cost in order to eliminate me from the competition. Nothing in their behavior has signaled that they want to exist competitively in the market. On the contrary everything that they do is about eliminating me from the market altogether. It is only because I have been in business for so long and provide other ancillary services to the market that I have been able to compete. If you choose to eliminate the one foothold which I have, namely exclusive contracts, you would effectively

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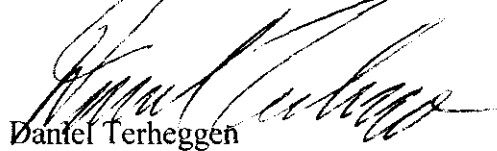
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eliminate me from the market. By eliminating myself and other PCO's, the market would revert back to the way it was not so long ago, a monopoly controlled by the franchise players and the Telco's.

Exclusive contracts are at the very core of our business model. Without them we would cease to exist as any competitive force in the marketplace. If the purpose for your review is indeed to increase competition then exclusive contracts should be awarded to PCO's and not to the franchise cable operators. Their access to capital and market share dominance can continue to allow them to be a viable alternative. Allowing smaller companies to continue to offer exclusive agreements would even out the playing field a bit. I cannot express strongly enough how critical an issue this is for my company and the PCO industry at large. I am more than happy to travel to Washington DC to testify or communicate in whatever fashion you would deem necessary that would help the FCC understand this issue.

Sincerely yours,

CONSOLIDATED SMART SYSTEMS

A handwritten signature in black ink, appearing to read "Daniel Terheggen", written over the printed name.

Daniel Terheggen